Canadian Cottons
Limited

MONTREAL, CANADA

FOURTH
ANNUAL REPORT
FOR YEAR ENDING 31ST MARCH, 1914

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 22ND MAY, 1914

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BOARD OF DIRECTORS

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DAVID MORRICE

Vice-President

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D. MORRICE, JR.
A. A. MORRICE
A. O. DAWSON
THEOPHILUS KING

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons
Limited

TO THE SHAREHOLDERS:

YOUR Directors have pleasure in presenting their Report for the year ending 31st March, 1914.

In view of the serious business depression prevailing the world over during the past year, the Statement herewith presented should be found eminently satisfactory.

Because of a desire on the part of the Trade generally to reduce stocks during a period of financial stringency, the sales for the year showed considerable shrinkage, while there has been some increase in the manufactured stock. This stock, however, is absolutely staple, and has been figured at most conservative values, and it will all be needed as soon as business confidence is restored, as supplies in the hands of the jobbers and retailers have been much depleted.

The Cotton Crop gathered in 1913 was above the average in quantity, but contained a much larger percentage than usual of inferior stock, and good spinnable Cotton has ruled high in price throughout the year. Spinners have thus been in the unfortunate position of being compelled to buy their raw material at a high figure, and to sell their manufactured product at a small margin of profit, due to poor trade conditions and keen competition.

The Manufacturing profits of the year, added to rentals of leased properties, after providing an adequate amount for depreciation, amounted to $602,942.00.

Interest on Bonds and Dividends on Preferred Stock were paid to the amount of $429,690.00, and a further amount of $10,000.00 has been added to the Reserve for bad debts, leaving $163,252.00 as Nett Earnings for the year.

The amount carried to Profit and Loss Account this year, $163,252.00, added to surplus carried over from last year, makes a total surplus of $969,225.00.

As usual, all items of ordinary repairs and betterments necessary for the efficient upkeep of the Plant, have been charged to Operating Expenses, and this year amounted to $101,258.00.

As intimated in last year's Report, a large expenditure has been made for new Machinery, as will appear in the increase of Property Account. About one-third of this amount has been spent in additions to the Mount Royal Mill, which is leased to the Dominion Textile Company, and an added income will be available from this source. The remaining two-thirds was expended in new machinery added to the Gibson and Ontario Mills, and installation of a new Beam Dyeing Plant at Cornwall.

The Company at the present time is in a most excellent position to take care of the demand from the Trade for the class of goods for which your Mills are equipped.

While business for the next few months may continue quiet, your Directors consider the outlook favorable for the continued prosperity of the Company.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

D. MORRICE,

President.

Canadian Co

MANUFACTUR

FOR YEAR ENDIN

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Maintenance, and Depreciation - - - -	$3,611,034.88
To Balance Net Profits to Profit and Loss Account - -	411,104.12
	$4,022,139.00

PROFIT AND L

FOR YEAR ENDIN

To Bond Interest 5% - -	$210,000.00	
" Dividend Preferred 6% -	219,690.00	
		$429,690.00
Reserve for Bad Debts - -		10,000.00
Balance forward - - -		163,252.63
		$602,942.63

tons, Limited

NG ACCOUNT

31ST MARCH, 1914

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By Sales - - - - - - - -	$3,500,476.30
Add inventory of Cloth and Cotton in process of Manufacture, 31st March, 1914 - - -	1,288,660.47
	$4,789,136.77
Less inventory of Cloth and Process on hand 31st March, 1913 - - - - -	766,997.77
	$4,022,139.00

OSS ACCOUNT

31ST MARCH, 1914

By Net Manufacturing Profits - - - -	$411,104.12
By Rentals, Mount Royal Spinning Mill, etc. -	191,838.51
	$602,942.63

Canadian Cot

GENERAL

YEAR ENDING

ASSETS

Cash - - - - -		$ 10,529.52	
Open Accounts and Bills Receivable net cash basis - - -		637,083.29	
Inventory of			
Cloth - -	$933.092.46		
Process and Yarns	360,496.92		
Raw Cotton -	470,192.26		
Supplies - -	152,685.73		
Insurance unearned	48,850.00		
		1,965,317.37	
Total Current Assets			$2,612,930.18
Bonds, available against Liability -			733,000.00
Stocks in other Companies and advances including Discount on Bonds - - - - -			433,800.00
PROPERTIES			
Mills, Properties, Plants, Waterpowers, etc. -			$10,703,303.85
			$14,483,034.03

Verified,
ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

tons, Limited

STATEMENT

31ST MARCH, 1914

LIABILITIES

Bank Advances - -	$1,214,807.15	
" " on Bonds - -	396,298.71	
Open Accounts - - -	320,721.33	
Bond Interest accrued and Dividend payable April 4th - - -	107,422.50	
Bills Payable - - - -	113,002.38	
Total Current Liability		$2,152,252.07
BONDS - - - - -	5,000,000.00	
Less redeemed - - -	62,000.00	
		4,938,000.00
CAPITAL		
Preferred Authorized, $4,500,000, Issued	3,661,500.00	
Common Authorized, $3,500,000, Issued	2,715,500.00	
		6,377,000.00
Reserve for Bad Debts - -		46,556.09
SURPLUS		
Balance at Credit of Profit and Loss, 31st March, 1913 -	805,973.24	
Accrued Profits to 31st March, 1914	163,252.63	
		969,225,87
		$14,483,034.03

A. BRUCE, Secretary-Treasurer.

AUDITOR'S REPORT

Montreal, 29th April, 1914

MESSRS. THE PRESIDENT AND DIRECTORS
CANADIAN COTTONS, LIMITED
MONTREAL

Gentlemen,

I have audited the books and accounts of the Company for the year ending the 31st March, 1914.

I now certify that: 1°, the Manufacturing Account, based in results upon the certified inventory presented to me, after charging for maintenance of the property, and after provision for depreciation; 2°, the Profit and Loss Account, after payment of Bond interest, preferred dividends; and 3°, the General Final Statement, prepared from the books, certified to by me, are correct exhibits of the Company's operations for the year and of its position at its close.

Your obedient servant,

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)